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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY



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Karen T. Reidy
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September 8, 1998

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Ex Parte: CC Docket No. 98-121
Second Application by BellSouth Corporation, BellSouth Telecommunications, Inc. and
BellSouth Long Distance, Inc. for Provision of InterLATA Service in Louisiana

Dear Ms. Salas,

On Tuesday, September 8, 1998, at the request of the Policy Division staff I submitted the attached letter to Carol Matthey, Chief of the Policy & Program Planning Division of the Common Carrier Bureau.

In accordance with the Commission's rules, two copies of this notice are being filed.

Sincerely,

Karen Reidy
Karen Reidy

cc: Carol Matthey

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September 8, 1998

Ms. Carol Matthey
Chief, Policy & Program Planning Division
Federal Communications Commission
1919 M Street, NW, Room 544
Washington, DC 20554

Re: Ex Parte: CC Docket No. 98-121
Second Application by BellSouth Corporation, BellSouth Telecommunications, Inc., and
BellSouth Long Distance, Inc. For Provision of InterLATA Services in Louisiana

Dear Ms. Matthey,

As requested by your staff, we have summarized below the topics MCI intends to address at the September 10 meeting concerning BellSouth's Louisiana application. Primarily we would like to take this opportunity to refute statements BellSouth made in its Reply Comments and emphasize the issues we think are necessary for the FCC to address in its decision.

1. MCI will explain why it is critical that the Commission make clear that BellSouth cannot fulfill its statutory obligations by offering collocation as the only means for competitors to combine elements. MCI will discuss why a more narrow ruling limited to BellSouth's failure of proof in this application would disserve the public interest, including BellSouth's and the Louisiana PSC's request for guidance, by implying that collocation as the sole option for combining elements could ever satisfy the Act. MCI will explain how the "collocation only" option degrades the quality of service new entrants can offer, unnecessarily increases new entrants' costs, substantially delays or completely forecloses widespread competition using unbundled elements, and unlawfully requires CLECs to deploy facilities of their own in order to combine a BOC's unbundled elements. MCI will explain why BellSouth's Reply statements to the contrary are false.

2. MCI will further discuss why the Commission must adhere to its prior guidance, and the guidance of the Department of Justice, concerning the need for performance standards backed by sufficient self-executing remedies. The goal of opening local markets to competition, and ensuring that they remain open after section 271 entry, will never be fulfilled unless the BOCs are required to provide service at a level that affords new entrants a meaningful opportunity to compete, as the Commission has noted in the Local Competition Order, the Bell Atlantic merger order, and the Michigan 271 decision. MCI will further discuss the fallacy of BellSouth's argument that because performance standards should be set in negotiations or by state commissions, the FCC has no role in section 271 in determining whether BellSouth in fact agreed to enforceable standards or whether they were imposed by the state commissions.

3. MCI will discuss why the Commission should maintain the principles it outlined in the Michigan Order in regard to operational support systems ("OSS"). MCI will focus on a number of the key functions absent from BellSouth's OSS and will respond to specific statements BellSouth made in its reply comments concerning MCI's analysis of BellSouth's OSS.

4. MCI will also briefly respond to BellSouth's reply comments concerning other checklist deficiencies MCI noted in its initial comments, including issues involving access to trunk ports and BellSouth's obligation regarding directory listings.

Please contact me with any questions regarding this matter.

Sincerely,



Karen Reidy

cc: Linda Kinney
Andrea Kearney
Bill Bailey
Claudia Pabo
Jake Jennings